

Message Text

UNCLASSIFIED

PAGE 01 STATE 023370

11

ORIGIN EB-07

INFO OCT-01 ISO-00 AGR-10 AF-06 ARA-10 EA-10 EUR-12 NEA-09

RSC-01 SP-02 AID-05 NSC-05 CIEP-02 TRSE-00 SS-15

STR-04 OMB-01 CEA-01 CIAE-00 COME-00 FRB-01 INR-07

NSAE-00 XMB-04 OPIC-06 LAB-04 SIL-01 PA-02 PRS-01

USIA-15 L-02 /144 R

DRAFTED BY EB/OF/FPD:FSPILLMAN:JS

APPROVED BY EB/ORF/OF/JAPLACKE

USDA/FAS - PPAULI

----- 119945

R 010006Z PEB 75

FM SECSTATE WASHDC

TO ALL DIPLOMATIC POSTS

UNCLAS STATE 023370

E.O. 11652:N/A

TAGS: EAGR

SUBJECT: EASING OF PRIOR APPROVAL SYSTEM FOR WHEAT,
SOYBEAN, AND SOYBEAN MEAL EXPORTS.

REF: STATE 22120, OCTOBER 14, 1974

1. SUMMARY: ON JANUARY 29, USDA ANNOUNCED AN EASING OF
VOLUNTARY PRIOR APPROVAL SYSTEM FOR EXPORT OF WHEAT,
SOYBEANS, AND SOYBEAN MEAL. THE ACTION DOUBLES QUANTITY
WHICH EXPORTER CAN SELL TO ONE DESTINATION WITHOUT
REPORTING SALE TO USG WITHIN 24 HOURS OR SEEKING PRIOR
APPROVAL. NEW LIMITS ARE 100,000 TONS TO ANY COUNTRY OR
DESTINATION IN ANY CALENDAR DAY OR 200,000 TONS
CUMULATIVE FOR ANY CALENDER WEEK. EASING DOES NOT APPLY
TO FEEDGRAINS INCLUDING CORN WHERE PREVIOUS LIMITS OF
50,000 TONS AND 100,000 TONS STILL GOVERN. END SUMMARY

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 023370

2. FYI - THIS DECISION WAS MADE INDEPENDENTLY OF RECENT ACTION TAKEN BY SOVIET UNION AND PRC TO CANCEL ORDERS FOR AMERICAN GRAIN. END FYI

3. TEXT OF USDA STATEMENT FOLLOWS: QUOTE SECRETARY OF AGRICULTURE EARL L. BUTZ TODAY ANNOUNCED AN EASING OF THE VOLUNTARY PRIOR APPROVAL SYSTEM FOR EXPORTS OF WHEAT, SOYBEANS, AND SOYBEAN MEAL. THE ACTION DOUBLES THE QUANTITY THAT AN EXPORTER CAN SELL TO ONE DESTINATION

WITHOUT REPORTING THE SALE TO THE GOVERNMENT WITHIN 24 HOURS OR SEEKING PRIOR APPROVAL.

TODAY'S ANNOUNCEMENT REFLECTS OUR COMMITMENT TO AN EXPANDING EXPORT TRADE IN U.S. FARM COMMODITIES," THE SECRETARY SAID. "IT RETURNS THE EXPORT TRADE IN WHEAT AND SOYBEANS VIRTUALLY TO A FREE BASIS FOLLOWING A PERIOD IN WHICH TIGHT SUPPLIES FORCED US INTO A PROGRAM WHERE THE POSSIBILITY OF EXPORT CONTROLS WAS TO A DEGREE IMPLICIT.

SUPPLIES OF WHEAT AND SOYBEANS HAVE EASED. WE WILL CONTINUE TO REAPPRAISE THE SITUATION ON A REGULAR BASIS, NOT ONLY FOR WHEAT AND SOYBEANS BUT ALSO FOR FEED GRAINS. THE SUPPLY-DEMAND SITUATION FOR FEED GRAINS HAS ALSO EASED SOMEWHAT, BUT WE ARE NOT CHANGING THE PRIOR APPROVAL SYSTEM FOR FEED GRAIN SALES AT THIS TIME. THE FINAL OUTTURN OF GRAIN AND OILSEED CROPS IN THE SOUTHERN HEMISPHERE WILL BE A FACTOR IN FUTURE DECISIONS.

AS AMENDED, THE PROGRAM NOW REQUIRES WHEAT AND SOYBEAN EXPORTERS TO REPORT, WITHIN 24 HOURS, SALES TO ANY COUNTRY OR DESTINATION TOTALING 100,000 TONS IN ANY CALENDAR DAY OR 200,000 TONS CUMULATIVE FOR A CALENDAR WEEK. THE PRIOR APPROVAL SYSTEM APPLIES TO THE SAME QUANTITIES, BUT OPERATES WITH THE VOLUNTARY COOPERATION OF EXPORT FIRMS. UNTIL TODAY'S ACTION, THE MINIMUM QUANTITIES HAD BEEN 50,000 TONS IN A CALENDAR DAY AND 100,000 TONS IN A CALENDAR WEEK. THE SYSTEM FOR FEED GRAIN SALES CONTINUES ON THAT BASIS.

THE PRIOR APPROVAL SYSTEM HAS PROBABLY HAD MINIMAL
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 023370

EFFECT ON THE VOLUME OF WHEAT AND SOYBEANS ACTUALLY EXPORTED, SECRETARY BUTZ SAID, BUT IT HAS SERVED AS A SAFEGUARD AGAINST AN UNUSUALLY LARGE COMMITMENT DURING A TIME OF TIGHT SUPPLIES. WE WILL CONTINUE TO GUARD AGAINST SUCH A DEVELOPMENT, BUT WE DO NOT WANT TO MAINTAIN ANY SORT OF RESTRICTIVE SYSTEM BEYOND THE TIME WHEN SUPPLIES ARE MORE PLENTIFUL. FOREIGN CUSTOMERS ARE A MAJOR MARKET

FOR AMERICA'S FARMERS, AND A LARGE AND UNRESTRAINED
EXPORT TRADE IN FARM PRODUCTS IS ESSENTIAL TO OUR
NATIONAL ECONOMY AND OUR INTERNATIONAL POSITION. UNQUOTE.
KISSINGER

UNCLASSIFIED

NNN

*** Current Handling Restrictions *** n/a

*** Current Classification *** UNCLASSIFIED

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORT CONTROLS, SOYBEANS, WHEAT
Control Number: n/a
Copy: SINGLE
Draft Date: 01 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE023370
Document Source: CORE
Document Unique ID: 00
Drafter: FSPILLMAN:JS
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: D750037-0820
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750283/aaaagobc.tel
Line Count: 123
Locator: TEXT ON MICROFILM, TEXT ON-LINE
Office: ORIGIN EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 STATE 22120, 75 OCTOBER 14, 75 1974
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 14 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14 APR 2003 by MarshK0>; APPROVED <07 JAN 2004 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> srp 971004
Subject: EASING OF PRIOR APPROVAL SYSTEM FOR WHEAT, SOYBEAN, AND SOYBEAN MEAL EXPORTS.
TAGS: EAGR, ETRD, US, XX
To: ALL POSTS
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006